

SENATE BILL REPORT

SHB 1261

As Reported By Senate Committee On:
Ways & Means, March 15, 2007

Title: An act relating to purchasing service credit for periods of temporary duty disability in the law enforcement officers' and fire fighters' retirement system plan 2, the teachers' retirement system, the school employees' retirement system, and the public safety employees' retirement system.

Brief Description: Purchasing service credit for periods of temporary duty disability in the law enforcement officers' and fire fighters' retirement system plan 2, the teachers' retirement system, the school employees' retirement system, and the public safety employees' retirement system.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Crouse, Fromhold, Conway, Kenney, Ericks, Simpson, McDonald, Moeller, Campbell and Pearson; by request of Select Committee on Pension Policy and LEOFF Plan 2 Retirement Board).

Brief History: Passed House: 2/14/07, 95-0.

Committee Activity: Ways & Means: 3/15/07 [DP].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Pridemore, Vice Chair, Operating Budget; Zarelli, Ranking Minority Member; Brandland, Carrell, Fairley, Hatfield, Hobbs, Honeyford, Keiser, Kohl-Welles, Oemig, Parlette, Rasmussen, Regala, Rockefeller, Schoesler and Tom.

Staff: Erik Sund (786-7454)

Background: The provisions for a state or local government employee to purchase service credit for time spent away from work due to an on-the-job injury vary depending on the retirement system which the employee belongs to.

Members of Plan 2 of the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF 2) may receive up to six consecutive months of service credit for each temporary duty disability (TDD) period. Members may purchase the service credit for each TDD period by paying the member contributions for the period. The employer and state are also required to pay the appropriate contributions. Members who are injured longer than six consecutive

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months may purchase the service credit for the period beyond six months by paying the member and employer contributions, plus interest.

Members of the School Employees' and Public Safety Employees' Retirement Systems (SERS and PSERS) may purchase up to 12 consecutive months of service credit for each TDD period. Members must have received time loss benefits from the Department of Labor and Industries, and they must pay the member contributions plus interest for the TDD period. After the member pays their contributions plus interest, the member's employer is billed for the employer contributions plus interest.

Members of the Public Employees' Retirement System (PERS) may purchase credit for up to 24 months of TDD in the same manner as SERS and PSERS. The period was increased from 12 months to 24 months by Chapter 363, Laws of 2005.

The Teachers' Retirement System (TRS) does not provide for the purchase of service credit for TDD periods.

Summary of Bill: Members of LEOFF 2, TRS, SERS, and PSERS who are injured in the course of employment may purchase up to 24 consecutive months of service credit for each TDD period. To receive this service credit, a member must have received industrial insurance benefits from the Department of Labor and Industries for the injury period. The member must pay the required employee contributions for the TDD period; if the payments are retroactive, interest will be charged at a rate set by the Director of the Department of Retirement Systems. After member contributions are made, the employer will then be billed for employer contributions for the TDD period; if the payments are retroactive, interest will also be charged. In LEOFF 2, the state is also billed for contributions.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony (on companion SB 5172): PRO: This bill will help plan members that are injured in the line of duty. These members should not be penalized for being injured.

Persons Testifying: PRO: Amber Lewis, Washington Federation of State Employees; Steve Nelsen, LEOFF Plan 2 Retirement Board.